

Herald Tribune

A Goad From the IMF

Mexico and the banks have come to a tight and perilous place in their negotiations over the next round of loans. They are moving slowly, and it now appears that a successful conclusion is less than certain.

Seeds of Subversion?

Oxfam America, a private relief agency, was given permission last year to send seeds and agricultural implements to Nicaragua.

A Population Dropout

The United States is no longer a part of a great international effort to aid population planning. The Reagan administration decided last month to withhold U.S. support for the United Nations Fund for Population Activities.

Other Comment

France's 'Draconian' Move

If Prime Minister Chirac wished to "internationalize" the terrorism problem and, as a beginning, to make foreign public opinion aware of the wave of attacks hitting France at the moment, he certainly will have succeeded in doing so by requiring visas of every visitor to our country.

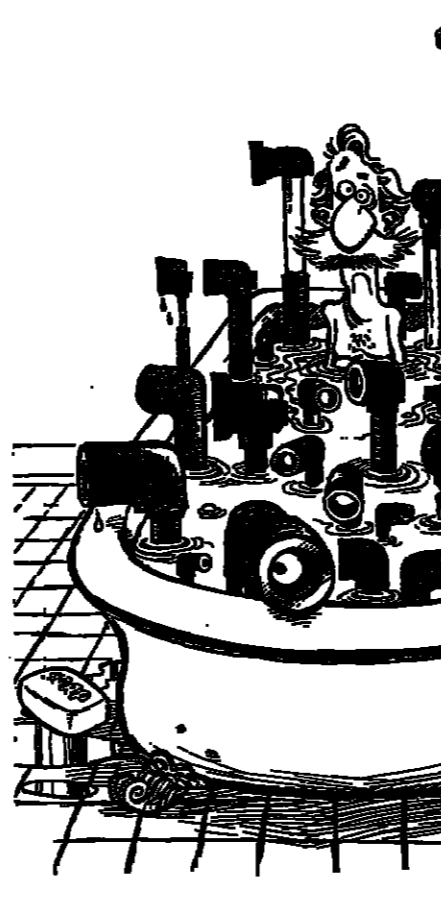
immense step backward. It hits countries that are traditionally friendly, from Scandinavia to black Africa, from Canada to Japan and Latin America.

KGB Gives Its Game Away

The release of both [Nicholas] Daniloff and Gennadi Zakharov into the custody of their respective ambassadors suggests that the KGB was motivated by the simple desire to secure a hostage. Mr. Daniloff would have seemed the ideal candidate. His wide range of Soviet contacts made it easier to set him up than almost any other American journalist in Moscow.

OPINION Why NATO, Its Fingers Crossed, Counts on the French

BRUSSELS — Although the conclusion is unpalatable to many and even sinister to some, discussions among NATO staff planners have reached the point where they project France, the alliance's maverick member, as a key element in the first two weeks of a war between the West and the Soviet bloc.



Schmidt Looks Back: From Chaos to Prosperity

BONN — If we think back over the last two decades, it is clear that we Germans on both sides have won a better understanding of the reality and durability of the division of our country.

establishing a salient deep in that country. U.S. and British troops would be moving toward Europe at that point, and the West Germans would be mobilizing their reserves.

OSLO — The U.S. Navy finds it difficult to intimidate its Soviet counterpart without also alarming America's allies. A good example is the assertive posture it has assumed on the defense of the Norwegian Sea.

By Drew Middleton

lines are closer to Soviet airfields and the ports are farther from the United States, which is expected to be NATO's main source of logistic support in any conventional conflict.

The Heavy Traffic in Northern Seas

By John C. Ausland

The U.S. chief of naval operations, Admiral James Watson, spurred new debate with his article "The Maritime Strategy." This appeared in an supplement to the January issue of the U.S. Naval Institute's journal, Proceedings.

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By Helmut Schmidt

At the end of the war I thought to myself, "Don't join a political party." Like millions of other German soldiers I felt only relief: "Thank God that's over."

The Face of Mother India — Defiantly Proud, Sadly Perplexed

By Stephen S. Rosenfeld

NEW DELHI — I flew in from Pakistan convinced that the onset of democracy is critical to turning that country into a nation. But having spent a swirling week in the world's largest and most clamorous democracy, I have a new set of confusions.

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INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

1911: China's Riposte PEKING — The Cabinet recommended to the Throne [on Sept. 15] to recall Yuan Shih-kai and appoint him Viceroy of the Kwangtung Province. 1936: American English CHICAGO — Thomas Jefferson has been cited as the originator of the phrase, "holding the bag."

The Dr... Has Its... LOS ANGELES — An... turned in her back... the child in pro... the parents speak... This is evidence of... of the United States... the crackdown on cr... No wonder. Newsma... been coming since a... some leading prim... bureaucrats deplo... newspapers use for... people on the issue... in and print by rail... and the producer... these is No. 1 on the... and every commercial... every commercial... some legislators in... some death penite... With this mediat... each running race... these now than a year... and often tragic p... the law enforcement... the inflow at L... and reform and to... all of this year... the anniversary, his... these above bandwag... The new escaping co... the Democrats are u... to undermine the... of Gramm-Rudman... to make tax increas... while proclaiming th... transcend polit... specifically delicious... among billions at a... Speaker Tip... a stupor would op... change in being "soft on... this new spending is... offer the restraint of... if the bill passes the... popular cause who is... O'Neill has telegra... Using the new m... films on drug comba... of the Mondale scho... "soft" tax increases to... the camel's nose u... free milk for babies... find another cause fo... some. The Republican... worried about defic... appear way to do what... son — and speaks of... some, wheeling \$5 fro...

Up to 14 Are Killed In Soweto Fighting

JOHANNESBURG — As many as 14 persons were reported killed in fighting over the weekend between anti-apartheid militants and Zulu tribesmen in Soweto, the large black township near Johannesburg.

The South African Press Association said seven persons had been killed, but the South African Press Association reported that 14 had died.

In another development, the government Monday appointed an ethnic Indian, Bhandra Ranchod, as its ambassador to the European Community. It is the first time it has named a nonwhite to an ambassadorial post.

The government's Bureau for Information said three persons were killed Sunday night when Zulus raided a house and opened fire on a group of black militants. The bureau said that another four persons had been found dead at a nearby hostel where many of the Zulus live.

It was not clear if the incidents were related, but the South African Press Association said the violence followed a meeting of Soweto residents who urged the local authorities to evict the Zulus from the hostel.

Many of the Zulus are migrant laborers and stay in township hostels when they work in gold and coal mines that are often far from their rural homes.

Their tribe, with six million members, is the biggest in the country. Chief Mangosuthu Buthelezi, their leader, is regarded by the militants as too moderate in his opposition to Pretoria.



Bhandra Ranchod was appointed Pretoria's envoy to the European Community, becoming South Africa's first nonwhite ambassador.

In Sharpeville township, south of Johannesburg, the authorities said police fired tear gas to disperse crowds of blacks who had stoned patrols. The Bureau for Information said the area was quiet, but residents reported continued violence.

Meanwhile, a boycott of white-owned shops by black consumers was suspended in South Africa's eastern Cape province after forcing many shops out of business.

Thousands of blacks streamed into stores in Port Elizabeth after the lifting of the boycott, which began in July 1985.

Mr. Ranchod, 42, the new ambassador, is a law professor at the University of Durban at Westville. He has never served in the diplomatic service.

Ethnic Indians account for fewer than a million of South Africa's population of 33 million but are subject to segregation.

U.S. and Soviet Officials Clash Over Daniloff

By Philip Taubman
New York Times Service

JURMALA, U.S.S.R. — Senior Soviet and American officials, meeting in public for the first time since an American correspondent was detained on espionage charges in Moscow, got into a heated argument about the case Monday.

President Ronald Reagan's senior adviser on Soviet affairs, Jack F. Matlock, said at the opening session of a Soviet-American conference in the Baltic resort of Jurmala that "Nick Daniloff's arrest seems to us nothing other than a seizure of a hostage."

Nicholas Daniloff, a correspondent of U.S. News & World Report, was released from a Moscow prison Friday after 14 days in confinement on the condition that he remain in the Soviet capital pending trial on espionage charges.

Vladimir F. Petrovsky, a deputy foreign minister, his voice rising in anger, then lectured Mr. Matlock that "we're not taking part in some kind of show here."

Shaking his finger at Mr. Matlock, Mr. Petrovsky said, "The United States government knows very well what intelligence operations Daniloff was engaged in."

Mr. Matlock, returning to the podium in the open-air theater, replied: "Precisely because I am a responsible official of the United States government, I know very well that Mr. Daniloff is innocent."

He added, "The president of the United States knows this and has certified it in private and in public, and no amount of evidence alleging the contrary is going to be accepted."

Tensions over the Daniloff case flared throughout the opening day of a weeklong meeting of Soviet and American officials and citizens at this resort, located about 15

miles (24 kilometers) from Riga, the capital of the Soviet republic of Latvia.

The tone of the opening session was in general contentious, with officials from both sides complaining that their counterparts were distorting history, misrepresenting current policies and exacerbating the arms race.

At one point, the audience of several thousand Russians, Latvians and about 200 Americans applauded loudly when one of the citizen participants, Florence Ross of Tamarac, Florida, said she was fed up with the official bickering.

"All of you sound like little boys playing one-upmanship," she told the panelists.

Several prominent Americans withdrew from the program after Mr. Daniloff's arrest, including Richard N. Perle, an assistant secretary of defense; Alan L. Keyes, assistant secretary of state; Jeanne J. Kirkpatrick, former chief U.S. delegate to the United Nations; and Robert C. McFarlane, the former White House national security adviser.

The blunt discussion of differences, and particularly the presentation by U.S. officials of a detailed critique of Soviet domestic and international behavior, was a rare occurrence before a Soviet audience.

Debate over the Daniloff case broke out when Mr. Matlock brought up the subject. In the conference's opening speech, Mr. Petrovsky did not mention the affair, restricting his comments to a review of the state of relations between Washington and Moscow.

Raising the Daniloff case at the beginning of his speech, Mr. Matlock said: "I come to you with a heavy heart. A shocking event has cast a deep shadow over U.S.-Soviet relations and cannot help but have an impact on our deliberations."

He added, "It is obvious that Mr. Daniloff was framed by Soviet officials after Genнаді Zakharov, a professional Soviet intelligence officer residing in the United States under cover of United Nations employment, was arrested in an act of espionage."

Mr. Zakharov, a physicist assigned to the UN Secretariat, was released from a New York prison Friday and remained into the custody of the Soviet Embassy as part of a deal for Mr. Daniloff's release from prison.

Mr. Zakharov must remain in the United States pending trial on espionage charges. Before his release, the administration had said it would not accept any arrangement with Moscow that put the Daniloff case on a par with the Zakharov case.

For Wounded Afghans, Treatment in U.S.

By Clifford D. May
New York Times Service

MANHASSET, New York — When they were told they were being sent to hospitals in the United States to be treated for injuries suffered in the fighting against Soviet forces, the five young Afghan guerrillas were told that they faced months of pain and struggle.

But the most difficult part was preparing them for a world unlike anything they had ever known.

"The cultural differences are tremendous," said Carol Hauptman, the director of community relations for North Shore University Hospital on Long Island. "Two of these kids had never seen a bar of soap before. Televisions, telephones, even toilets are basically new to them. They have to go back home after they recover, so we're not to Westernize them. But how can you help it?"

Hospital spokesmen say their staffs are trying hard to respect cultural differences. When possible, nonallopathic medicines are substituted for those with alcohol bases, cooking with Islamic law. Kosher meats are served, because Jewish and Moslem dietary restrictions are similar. Provisions have been made for the patients to face toward Mecca and pray five times a day.

"Even being on a coed unit must take them aback," said Shawn Frank, a social worker at the Schneider Children's Hospital of the Long Island Jewish Medical Center, where two of the young men are being treated. "In their country, females are always completely covered and inter-relations aren't nearly so casual."

"We've done some education with the girls on the unit about not being too forward. Also, they're not used to seeing women in positions of authority."

Other hospital staff members said that the nearly everything was unfamiliar to the

young men at first. They had no way of knowing, for example, that little cardboard boxes contained a glassful of milk.

The Afghans were brought to the United States under a program begun in 1984. The U.S. government pays their transportation costs and the hospitals provide free treatment.

Treatment of the five young guerrillas who arrived earlier this month is complicated by

adapting. Already, most of the young men are enjoying television, telephones, elevators and even some computer games. That is not to say that their values are necessarily being altered.

"The nurses go through magazines with them," said Rosalie Kershaw, a spokesman for the Long Island Jewish Medical Center. "But the other day when one nurse came to an ad showing a girl in a swimsuit, the boy shook his head and said, 'No, no,' and he immediately turned the page."

Language, too, provides insulation. The young men mostly talk among themselves and to members of the local Afghan community who come to visit.

A North Shore University Hospital spokesman, Daniel M. Rosset, said: "A lot of learning is taking place on both sides. These kids have gone through things we can't even imagine."

— Daniel M. Rosset, a hospital spokesman

The fact that their injuries occurred months ago and have healed improperly. Even so, the young men, like about 100 others selected for the program and sent to hospitals elsewhere in the country, are among the luckier ones: Printed guidelines from a Geneva-based refugee organization, the Intergovernmental Committee for Migration, exclude the thousands with "no chance for successful treatment."

The guidelines also note that "there is a great deal of concern among Afghan families regarding possible attempts to 'Westernize' and 'Christianize' their family members sent here for treatment." The guidelines emphasize that "no overtures along these lines can be allowed."

Hospital staff members say there is sometimes a fine line between Westernizing and

home, unlike any other troops in the world.

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Measures to Increase Port Security Approved

By Philip Taubman
New York Times Service

LONDON — An international shipping conference has agreed on measures to make ports and ships safer from terrorist attacks, officials said Monday.

The International Maritime Organization, a 129-member United Nations agency concerned with safety at sea, unanimously approved U.S.-sponsored proposals at a 10-day meeting in London that began last week.

The organization will ask all member governments to implement the proposals, which were made after the Achille Lauro, an Italian cruise ship, was hijacked by

Palestinian gunmen in October 1985.

The measures, which were approved on Friday after a week of discussion, cannot be forced on the member governments and carry no legal weight, according to officials of the organization.

But if governments adopt them in full, the result will be to give airport-type security to some large ports with restricted access to both ports and ships, delegates said.

"Governments should review their national legislation to determine their adequacy to maintain security on board ships," said a draft of a circular that will be forwarded to member governments.

The moves are aimed chiefly at protecting ships on international voyages of more than 24 hours.

The United States first brought up the proposals in November 1985.

The draft calls for "a designated authority" to monitor port and ship safety in each country and to draw up detailed security plans for both port areas and ships.

It also calls for more international cooperation and exchange of information on shipping security between member countries.

Delegates have said that few, if any, ports have security protection comparable with airports and that ships are now far more vulnerable to attack than planes.

He added, "It is obvious that Mr. Daniloff was framed by Soviet officials after Genнаді Zakharov, a professional Soviet intelligence officer residing in the United States under cover of United Nations employment, was arrested in an act of espionage."

Mr. Zakharov, a physicist assigned to the UN Secretariat, was released from a New York prison Friday and remained into the custody of the Soviet Embassy as part of a deal for Mr. Daniloff's release from prison.

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Referendum Sought on Abolition of Swiss Army

By Thomas W. Netter
New York Times Service

GENEVA — A coalition of Socialists, pacifists and religious groups has announced that it has met the requirements for a national referendum on abolishing the Swiss Army.

The coalition presented a petition bearing 113,000 signatures to the government on Friday.

Officials said that the initiative, "For a Switzerland Without an Army," would be put to a national vote in a few years after parliamentary debates if more than 100,000 signatures prove valid.

In Switzerland, any issue can be put to a referendum if more than 100,000 people sign a petition.

A majority vote would mandate abolition of the army, although even organizers of the campaign acknowledge that this is unlikely.

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BUSINESS IN EUROPE



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There's a Sheraton waiting for you in the

Moving Into the 21st Century

Unemployment, Budget Deficit Cast Shadow Over Economy

By Victor de la Serna

MADRID — Indicators became increasingly disquieting this summer as the Spanish economy showed signs of weakness...

growth since the first two quarters of the year has been linked by private economists to the heavy constraints placed on business financing...

At the moment, the government is promising little in terms of new jobs after its much-debated 1982 campaign promise to create 800,000 jobs...

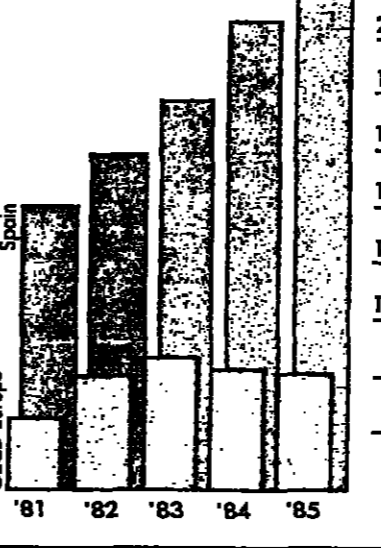
More than 20 percent of the labor force is unemployed.

grew by almost one quarter — from 2.4 trillion pesetas (\$17.3 billion) to 12.6 trillion — in the first half of 1986.

Authorities say that this reflects only a change in the way the deficit is financed, not a deficit increase. They are confident that at year's end the deficit's share of gross domestic product (GDP) will have declined to 4.5 percent...

Unemployment Climbs

(as % of labor force)



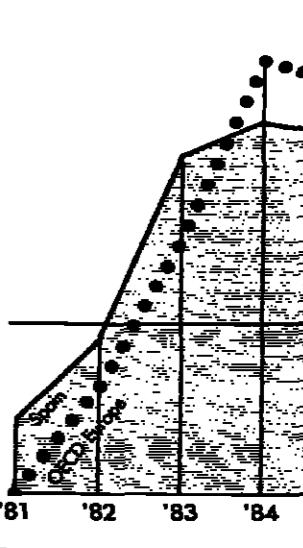
Consumer Prices Drop

(% increase on previous year)



Gross Domestic Product Keeps in Step

(1981=100)



Source: OECD

public administration, administrative reform is billed as a major goal of the second Gonzalez term.

The size of the problem was highlighted by the fall in oil prices and the subsequent jump in tax yields.

"This year's budget was drafted well before the oil price plunge could even be imagined," noted Jorge Hay, chief economist at Banco Hispanoamericano, one of Spain's "big seven" private banks.

Obviously, the government is using the unexpected bonanza to finance expenditure overruns.

In the end, the acid test will be provided by interest rates. Contrary to the worldwide trend, they have been increasing or, at least, staying put in Spain.

Now, official sources point out that only the banks' need to improve their poor profit pic-

ture has delayed the rate reduction, despite the cut in their operating costs. They note that since late July the stock markets have resumed their strong performance. They insist that monetary growth has been "back under control" since the end of June.

VICTOR DE LA SERNA is an editor with the newspaper El Pais in Madrid.

'Reconversion' Targets Steelworks, Shipbuilding

New ventures will provide employment for almost 8,000.

By Tom Burns

MADRID — A word that gained great prominence in Spain during the Socialist government's first mandate was reconversion, which means the streamlining and restructuring of smelting sectors.

The two words are both sides of the same coin. The process has been one of trimming and closing uncompetitive and loss-making activity and of seeking to stimulate new product lines.

Chief targets of the reconversion have been the steel, shipbuilding and the capital goods sectors.

The symbol of the program, demonstrating the government's determination to act as much as the scope of the undertaking, was the demolition, starting in 1983, of three blast furnaces belonging to the state-owned Altos Hornos del Mediterraneo, an integrated steel plant at Sagunto, near Valencia.

The Sagunto area, where the steelworks once provided 10,000 direct and indirect jobs, is also the clearest case of the reindustrialization process. The government has tailor-made investment programs offering tax breaks and straight subsidies.

AHM's closure was traumatic. The plant was expanded in the late 1960s when there was unbounded optimism in the continuing economic "miracle" of Spain's boom decade.

Domestic steel consumption reached a record 11.8 million tons in 1974. Then it began to fall, and continued to fall. Last year domestic consumption reached its lowest point — 6.6 million tons — and AHM, in the years before its closure, was losing billions of pesetas annually.

As the touchstone of reconversion, Sagunto and AHM were the emblems also of reindustrialization. The area became the first ZUR, zone of urgent reindustrialization, to be created by the government.

Under the plan, 67 new industrial ventures have been approved in the area. Total investment attached to the Sagunto ZUR is 30 billion pesetas (\$226 million) and the expectation is that about 2,200 direct jobs will be created.

The new projects illustrated two clear trends in the anticipated reindustrialization process: diversification and foreign investment.

So far the largest investor and potential employer is the Italian company Societa Italiana del Vetro, a newcomer to Spain, which is building a two-billion-peseta plant to produce car windows.

Other projects include a fertilizer factory that is to be built by the state-owned Spanish producer Enfersa, and a new venture, also Spanish, to build the country's biggest manufacturing base for synthetic and special waxes.

There are six other ZURs in the country, each of them in areas hard hit by reconversion.

Generous credits, on the lines of those in Sagunto, are available to new investors in Ferrol and Vigo in Galicia, and in Cádiz, three towns that have been hit by dockyard closures; in the Nervion industrial belt outside Bilbao, which has been affected by the restructuring of the capital-goods, steel and shipbuilding sectors, and in Barcelona and Madrid.

In Madrid, two already established foreign companies have taken advantage of the ZUR incentives to expand their business. Food's is planning to spend 535 million pesetas to boost production of cosmetics 20 percent at its existing plant and Italy's Teletra is investing 1.48 billion pesetas to expand its circuit manufacturing base.

The Madrid area has so far been the most successful, after Sagunto, in attracting business through the ZUR program — almost 30 projects have been approved. Overall, the seven ZURs had by the first quarter of this year 252 reindustrialization ventures with a total investment of 87.62 billion pesetas.

In terms of job creation, the diverse ventures will provide employment to almost 8,000 in direct jobs. This is about a tenth of the jobs lost during the reconversion program, but officials stress that it is only a start.

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The Bulls Are Running at Bolsa

By William Chislett

MADRID — Spaniards, long addicted to lotteries, are catching the shares bug. Every day people can be seen in bars scrutinizing lists of share prices as they compete for prizes in stock market games...

The prizes on the Madrid exchange have been spectacular. The index, set at 100 at the start of each year, reached the 200 level in September.

On a busy day, the 150-year-old exchange, with its dome-shaped, stained-glass ceiling and gilt-edged marble columns, has the atmosphere of a bustling town of a sedate place of business. There is literally no standing room. There are also tiny exchanges in Barcelona, Bilbao and Valencia.

Not only Spaniards are beating a hasty path to the Bolsa. In the first half of 1986, net foreign investment in Madrid tripled to 56 billion pesetas (\$415 million). Foreign investors account for about one-quarter of total trading, compared to 6 percent two years ago.

By the end of March, total turnover had eclipsed last year's total trading volume of 1.6 trillion pesetas.

All this is in marked contrast with the end of 1982, when the Socialists had just won power. The exchange had been in the doldrums since the 1973 oil crisis.

Why are the bulls running in Madrid, and are they set to continue their performance under the Socialists' second government?

Business is pleased with the stable government offered by the Socialists and their pragmatic policies, which have fostered a dramatic improvement in company profits. The Spanish economy, under the impact of lower oil prices, faces a brighter future. Lower interest rates have made shares an attractive proposition.

The boom in Madrid, however, has shown up even more starkly antiquated and bureaucratic practices that are holding back the exchange's development.

The government has drawn up reforms that would modernize the exchange and create a control body similar to the U.S. Securities and Exchange Commission.

On a busy day the exchange has the atmosphere more of a bullring than of a sedate place of business.

Under the reforms, the agents, who are like public notaries and who legalize transactions, would lose their exclusive rights and stockbrokers would come out from the sidelines.

It is reliably estimated that last year the agents got 50 million pesetas each from commissions on dealings, before even lifting their pens and earning more money.

The other problem is that the market is very narrow. The number of companies quoted in Madrid has dropped by 122 to 335 in the last three years. Just 10 of them account for half of trading.

This situation is causing concern because it poses the risk of a further decline in stock prices, which would reflect more the lack of paper than their real value or earnings outlook.

Some Spanish bankers already think prices are artificially high. A significant part of the investment on the Madrid exchange is dinero negro, literally black money, seeking to escape the increasingly watchful eyes of the tax authorities.

There has been a dramatic flight out of bank bills and into other investments, including the stock exchange. Banks are now obliged to declare to the Finance Ministry the names of the owners of their bills, which until January were one of the main legal tax dodges.

An unlisted securities market and measures to liberalize Spanish investment in foreign stock exchanges are planned to take some of the heat out of the Madrid exchange.

"Too much money is pursuing too few shares," said Monica Morales, the head of the international division of Investban, a new financial services company.

Spanish companies are reluctant to come to the market, however. Most of them do not need to raise cash, and they are not eager to have to open their books to the public.

WILLIAM CHISLETT is the deputy editor of the English-language section of the Spanish news agency Efe. He is based in Madrid.

Bringing In High-Tech Investors

MADRID — In the electoral campaign in June, Deputy Prime Minister Alfonso Guerra was campaigning before a packed audience in an indoor sports stadium in the northern Spanish town of Logroño.

"Do you know what chips are?" he asked. "They are essential to the future, and they are made in the United States, and they are made in Japan, and now they are going to be made in Spain."

Later that day, Prime Minister Felipe Gonzalez was speaking before a capacity crowd in flow toward Spain as well. The acquisition in June of SEAT, Spain's state-owned car manufacturer, by Volkswagen of West Germany was a milestone. It represented a major vote of confidence in Spain's future as an auto producer and mirrored the continuing expansion by

Ford and General Motors in their Spanish plants. Renault, the state-owned French auto maker, and Citroën, which is owned by the private Peugeot Talbot group, have embarked on restructuring programs, which assured continuity in their Spanish plants.

Investments continued to grow in food processing and cultivation of produce aimed at the European Community in formerly barren provinces such as Almería.

Overall foreign investment in Spain was up 26 percent in 1985 to \$3.16 billion. In its first mandate, Mr. Gonzalez's Socialist government had shown that it welcomed such investment, and there is every reason to assume that the hospitality will continue during the prime minister's current four-year term.

A series of initiatives aimed at further reducing red tape for foreign investors was among the legislative measures left hanging by the dissolution of the parliament in April and the June elections. These measures will be high on the list of priorities when the new parliament begins its legislative business of this fall.

High-tech has suddenly become a reality in Spain. AT&T, Corning Glass and Fujitsu have moved in within the last 18 months. The three are involved in joint ventures with Compania Telefonica de España SA, the government-owned telecommunications company. All are setting up research facilities and are export-oriented.

Hewlett-Packard and Pacific Telesis of the United States, L.M. Ericsson of Sweden and Siemens AG of West Germany are expanding existing facilities or putting down roots. Officials in Madrid talk of a snowball effect, and officials in Barcelona and Málaga claim the European Silicon Valley is arising on their doorstep.

More conventional investment continues to flow toward Spain as well. The acquisition in June of SEAT, Spain's state-owned car manufacturer, by Volkswagen of West Germany was a milestone. It represented a major vote of confidence in Spain's future as an auto producer and mirrored the continuing expansion by

Tom Burns

INH Holding Company for the Spanish Oil-Gas Sector

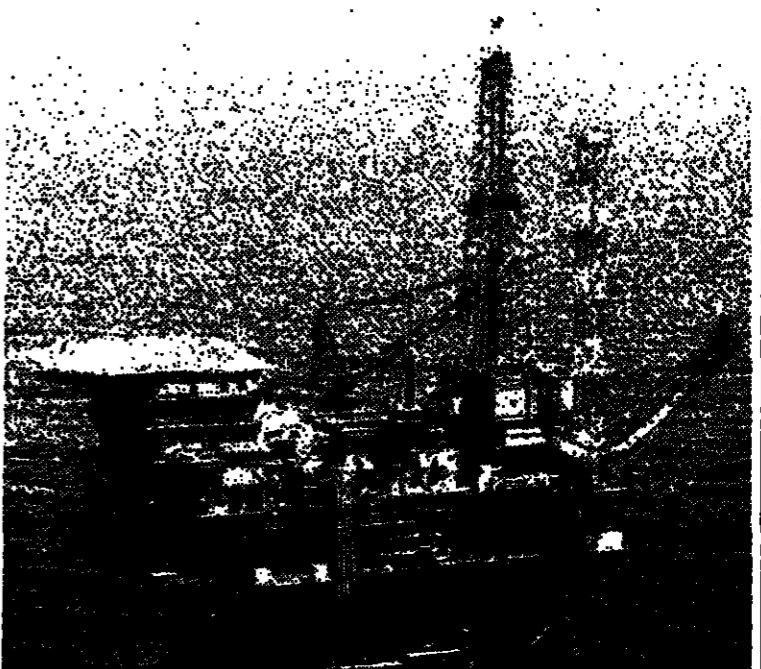


The Instituto Nacional de Hidrocarburos —INH— is the holding company which co-ordinates and controls the activities of all Spanish Public Companies in the Oil and Gas industries.

INH takes part in all phases of gas and oil production: exploration and production, transport and refining of crude oil distribution and marketing of gases and petroleum products, manufacture and commercialization of petrochemicals.

INH accounts for 1.25% of the Gross National Product, it supplies 28% of the prime energy necessary for the national market and participates in 54 companies in the Oil-Gas sector thus providing employment for almost 20,000 people.

Table with 3 columns: Activity, 1985, 1986. Rows include Total Cash-Flow, Total Investments, Total Income, and various activities like Drilling as Operators, Oil and Gas Production, etc.



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ARTS / LEISURE

Enrico Coveri: An Italian In Paris

PARIS — At 34, Enrico Coveri is at the head of a \$100 million-a-year empire, only eight years after launching his own firm. But 94 percent of his business, which consists of 37 licenses, is in Italy, 4 percent in the rest of Europe, and 1 percent each in Japan and the United States. So last January, Coveri moved to Paris in the hope of capturing the European market. Although he will be in Paris only 10 days a month, he has taken an apartment and a new office. "I had grown

HEBE DORSEY

as far as I could on the Italian market," Coveri said from Coveri-France, his luxurious steel-gray headquarters on Rue du Faubourg Saint-Honoré. "At this point, I had to decide whether to go downmarket or move to new territories," he added. "I chose Paris to restructure my company and expand, first in Europe, then worldwide."



Enrico Coveri (centre) flanked by two of the models from his flamboyant winter catalogue.

ROLEX IN PARIS MORABITO 1 PLACE VENDOME

Marie-Martine 8, RUE DE SEVRES 75006 PARIS FURS Christian Dior BOUTIQUE FOURRURE

Born in Florence, Coveri stands 6 feet 7 (2 meters) and has a cherubic and dimpled face. But under a jovial exterior is a sound businessman. When he starts discussing expansion plans, he is clear-headed, impressively informed and clearly in control.

Coveri was still a student at Florence's Academy of Fine Arts when he saw, coming out of the Palazzo Strozzi, where fashion shows where then being held, a superb model clad in leopard print, a photographer and a fashion editor.

"I loved the whole scene and decided he part of this world," he said. He was 18. His first chance was as a male model, "but I didn't like it and wanted to be on the creative side," he said.

The fashion world first became aware of Coveri when he designed an important sportswear line called Touche, for a Milan firm. There, for the first time, the spirited Coveri was able to display his young approach and his sense of color.

But he wanted his own house, and in 1978 he opened modestly in Florence. Today, Coveri functions from a six-story building that houses both the commercial side and a studio, employing 14 assistants. His empire includes nine boutiques in Italy, one in Antwerp, several in Japan and

one in Paris. He recently opened a 450-square-meter (4,840-square-foot) boutique on New Bond Street in London. Before the end of the year, he plans to open another large one in Paris, on Rue des Saints-Pères, an active fashion center with Sonia Rykiel, France Faver, Angelo Tarlazzi and Maud Frizon.

Ever since he started, Coveri was fascinated by Paris and asked to become a member of the French Chambre Syndicale to show in Paris. He has not showed in Milan since 1978.

Soon, Coveri expanded in several directions. Besides men and women's wear, he added collections of sportswear, beachwear, several highly successful babies and children lines, plus men and

women's perfumes. Last year, he added four new lines: You Young Uomo, Jeans, Contemporary and Chemises pour Hommes. You Young Uomo, which is a less expensive line, proved an instant success with the young Italian market.

His image is a young one and his collections often consist of easy separates, making it simple to shop. Coveri also has a strong sense of color and a sense of fantasy. He was the first one, for instance, to show T-shirts and bathing suits embroidered with sequins.

Coveri thinks that developing a European market will be a turning point for him, and next is the United States. "But one must be very careful," he said. "America is a continent and one cannot go at it in a half-hearted way."

Reflecting on his Italian success, Coveri said: "You must realize that Italy represents 50 percent of the whole fashion market in Europe. Italians simply love to dress. In France, you have about 50 so-called 'multimarques' boutiques, which carry several different labels. In Italy, you have 500. We even sell furs in Sicily."

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Vertical text on the right edge of the page, including 'Statistics Index', 'Higher H Foreseen', 'HONG KO', 'BUT FOR the', 'C', 'Cross Rates', 'Other Dollar V', 'Currency per U.S.', 'Key Money Rate', and 'Markets C'.

Statistics Index table with columns for AMEX, NYSE, Dow Jones, etc.

INTERNATIONAL STOCK MARKETS

Higher Hong Kong Prices Foreseen Despite U.S. Drop

HONG KONG — The Hang Seng Index is likely to breach and consolidate well beyond the important 2,000-point level soon, despite the dramatic plunge last week in the Dow Jones industrial average on Wall Street that sparked heavy selling here and on other world markets, brokers say.

However, share prices closed sharply lower Monday on renewed technical selling and concerns about steep slides in New York and Tokyo last week, brokers said.

The Hang Seng Index fell 23.99 to 1,942.34 Monday, after a brief rebound at midday. The Hong Kong Index finished the day 15.59 points lower at 1,221.96.

Brokers said the market needed a major correction since the Hang Seng reached a closing high of nearly 2,000 last week. They said there was heavy selling when the index fell through 1,950 in the early afternoon.

Hong Kong & Kowloon Wharf & Godown Co. traded ex-dividend and fell 1.60 Hong Kong dollars to 7.45 dollars.

Hang Seng Bank led 25 cents to 32.75 dollars, and Hong Kong Bank shed 15 cents to 6.80 dollars.

Wing On (Holdings) Ltd. ended 5 cents higher Monday at 2.40 dollars and, its subsidiary, Wing On Co., was up 9 cents to 1.57 dollars.

Turnover fell to 420.30 million dollars Monday from 678 million on Friday.

BUT FOR the longer term, Barry Yates, research director at Hoare Govett Asia Ltd., said Friday that the index should reach a high of about 2,300 this year.

Analysis said the nearly completed interim reporting period showed good results for most major listed firms.

They noted that stocks rose last Wednesday after HK Land reported a 50-percent rise in first-half net profit to 386 million dollars (\$49.5 million).

Larry Tam of Sun Hung Kai Research Ltd. said local investors found investment in stocks attractive because their average 4-percent yield compares favorably with the 2-percent annual interest rate on Hong Kong savings accounts.

He said overseas investors, notably from Japan, viewed Hong Kong stocks a bargain because of the relative weakness of the Hong Kong dollar against the yen.

Expectations that Piers Jacobs, the financial secretary, will raise the forecast for 1986 gross domestic product growth to 6 percent from 4.5 percent in his midterm financial review this week have also helped prices.

GDP measures the total value of goods and services, excluding income from foreign investments.

Texas Air To Acquire People

Pact Includes Frontier Assets

NEW YORK — Texas Air Corp. has agreed to acquire People Express Inc. and the assets of its non-operating Frontier Airlines unit for about \$300 million in cash and securities, the companies announced Monday.

Texas Air said it would pay \$125 million in securities for People Express, and would acquire the Frontier assets for \$176 million in cash, securities and Frontier debt to be assumed.

In addition, Texas Air said it had reached agreement on two transactions that would provide New York-based People Express with \$49.5 million in cash to help the airline remain afloat while the U.S. government reviewed the acquisition.

Continental Airlines, a Texas Air unit, would buy 12 Boeing 727-200 jets from People Express, and Texas Air would make loans to People Express secured by People Express assets.

Texas Air is a Houston-based holding company that also owns New York Air and is in the process of acquiring Eastern Airlines.

Continental would also "hire most of Frontier's employees if certain conditions are met," People and Texas Air said.

Under the accord, Texas Air would buy each of People Express's 26.25 million common shares outstanding for \$2.25 worth of Texas Air common stock and \$2.50 of Texas Air preferred stock.

People Express shares closed at \$3.75, down 25 cents, in over-the-counter trading on Monday. Texas Air closed at \$28.50, up \$2.125, on the American Stock Exchange.

People Express, a discount carrier, was forced to seek a buyer after the Frontier collapse and other problems left it in a severe cash squeeze.

In the first half of this year, People Express recorded a loss of \$132.5 million on revenues of \$667.8 million.

People Express rejected a \$235.8-million takeover offer from Texas Air in July. Instead, People Express chose to sell Frontier to United Airlines for \$146 million.

But only \$50 million of the Frontier sale, for assets such as landing slots and gates, went through.

Unlikely, Effective Alliance at CBS

Paley, Tisch Joined Forces To Oust Wyman

By Sally Bedell Smith New York Times Service

NEW YORK — At the end of CBS's dramatic nine-hour board meeting last Wednesday, the company's two triumphant power brokers, William S. Paley and Laurence A. Tisch, seemed to be acting quite independently of each other.

The 84-year-old Paley, once again chairman of the company he founded 58 years ago, sat smiling at the boardroom table of fine English walnut. He was clearly tired but his jacket was still on and he looked crisp and ready for action.

Mr. Tisch, the 63-year-old chairman of Loews Corp. and the new acting chief executive at CBS, was already on the move. His jacket was also in place, and he sat outside the board room, intently talking on the telephone.

Appearances aside, the two men have evolved an intricate balance of power in the 10 months since Mr. Tisch joined the CBS board. Together, Mr. Tisch and Mr. Paley and their friends control more than 34 percent of CBS stock, and last week their newly forged alliance proved powerful enough to unseat Thomas H. Wyman as CBS chairman and chief executive.

Mr. Paley became acting chairman and Mr. Tisch acting chief executive until a successor to Mr. Wyman can be found. Mr. Paley will concentrate on programming, while Mr. Tisch will tend to the company's management and fiscal health.

It is billed as a temporary arrangement, but it is likely to have permanent consequences for CBS's \$5-billion communications empire.

Both men declined to be interviewed, but friends and associates say they have identical goals: to change the leadership of the company, improve its financial picture, and bolster the ratings and morale in news and entertainment. And the two men held a series of private meetings over the past two months to define their respective roles in attaining those goals.

"While they are not alike in style or temperament, there is no inherent basis for competition," said one executive who has watched both men at close range. "Each is perfectly willing to let the other do what he is most capable of. Bill Paley brings programming pizzazz and glamour



William S. Paley, founder of CBS Inc., left, with Laurence A. Tisch, chief executive and largest stockholder.

and elitism to the company, and Larry Tisch is a financial genius. Neither is threatened by the other's talents.

It is nonetheless an alliance of men who, under normal circumstances, would barely know each other. They periodically cross paths at Manhattan dinner parties and, in fact, Mr. Tisch had even entertained Mr. Tisch at lunch in his executive dining room 13 years before last week's CBS victory.

Still, as recently as last year Mr. Paley was confounding Mr. Tisch, whose enterprises include hotels, CNA Insurance, and Lorillard tobacco, with Robert Tishman, a New York real estate developer.

Mr. Paley and Mr. Tisch come from contrasting worlds. Mr. Paley surrounds himself with luxury, travels in high society, and prides himself on his exquisite taste. Mr. Tisch lives modestly, his focus on his family and his philanthropies. Both men are Jewish, but Mr. Tisch is more distinctly so in his religious practices and cultural milieu.

But in July 1985, Mr. Tisch embarked on a project that was destined to bring him to Mr. Paley's attention: He began buying large quantities of CBS stock.

Friends of Mr. Paley say that, at first, Mr. Paley interpreted it as simply an investment. Within several months, however, Mr. Tisch's purchases grew to 12 percent of CBS shares, eclipsing Mr. Paley's 8.1-percent holding, and it was clear that Mr. Tisch represented a new force in CBS.

Last October, Mr. Wyman invited Mr. Tisch to become a CBS director; shortly afterward, Mr. Paley invited him to tea at his Fifth Avenue apartment. Over the months Mr. Tisch raised his CBS stake to 24.9 percent. And Mr. Paley found that he had a formidable new ally on the CBS board.

Since stepping down as chairman three years ago Mr. Paley had been using the boardroom to challenge Mr. Wyman on CBS programming problems as well as personal conflicts such as Mr. Wyman's decision to sell CBS aircraft. And after joining the board, Mr. Tisch also became vocal, at times unmercifully so, by asking pointed questions about what he considered overly optimistic revenue and profit forecasts by CBS executives.

Twenty days after the July board meeting, in which several members of the board of directors unsuccessfully asked Mr. Tisch to agree not to buy more than 25 percent of the company's stock, Mr. Wyman sent a memo to the board disclosing that 1986 broadcasting revenues would probably be no more than \$235 million — far less than the \$385 million that had been forecast.

To make matters worse, on Aug. 2, CBS registered its lowest prime time ratings in history, and "The CBS Evening News with Dan Rather" began losing its edge in audience popularity.

"It was a fatal linkage for Tom See CBS, Page 17

French Budget Cuts Tax, Raises Security Outlays

PARIS — The French cabinet on Monday approved a 1987 budget that cuts taxes and increases spending on the military and internal security, a government spokesman, Alain Juppé, said.

The budget — the first full budget by the rightist government that took power from the Socialists six months ago — aims to reduce the role of government in the economy and create a more liberal business environment. It cuts direct aid to industry but also reduces its taxes and gives incentives to retrain employees and create jobs.

Under the new program, French companies will pay more than 11 billion francs (\$1.6 billion) less in taxes next year, mainly because of a cut in the corporate profits tax to 45 percent from 50 percent and cuts in the payroll tax. Mr. Juppé said after the weekly cabinet meeting.

Finance Minister Edouard Balladur said Monday that the corporate profits tax would be cut further, to 42 percent, in 1988.

For 1987, households will pay around 15 billion francs less, mainly because of an average 3-percent cut in income taxes. Of the 16 million households paying tax, 2 million with the lowest incomes will drop out of tax brackets altogether and 1.8 million will have their taxes reduced by around 30 percent.

The top tax rate, applicable to incomes of around 450,000 francs and above, will fall to 58 percent from 65 percent.

Mr. Juppé said that the government had singled out the military, internal security and job retraining for priority spending.

The government's anti-terrorism campaign, made more urgent by the recent series of bombings in Paris, will get a big cash injection, part of the Interior Ministry's 6.5-percent budget increase to increase

the number of police and improve equipment.

The military budget will rise by 6.8 percent, to around 170 billion francs, with the increase paying for new equipment.

Government spending on job retraining will rise by nearly 30 percent to help cut France's unemployment, which stands at a postwar record of 2.47 million, or 10.5 percent of the work force. Mr. Juppé said.

Officials say that the net effect of the tax cuts and less aid should still be a saving of about 4.3 billion francs for the industrial sector. About 75 percent of the total will go to small and medium-sized industries.

The budget deficit is being reduced to 128.6 billion francs next year, or 2.5 percent of the gross domestic product, from around 144 billion francs, or three percent of GDP, this year. GDP is the nation's total output of goods and services minus income from operations abroad.

The budget now goes to the parliament, where it will be debated for two months.

Trade Surplus Widens The Finance Ministry announced Monday that France's seasonally adjusted merchandise trade surplus widened in August to 3.2 billion francs, more than double the July surplus of 1.5 billion francs, Reuters reported. In August 1985, the surplus was 4 billion francs.

Exports in August fell 3.5 percent from July, to 71.9 billion francs, and imports fell 5.9 percent, to 68.7 billion, the Finance Ministry said.

The August surplus took the merchandise trade balance for the first eight months of 1986 to an adjusted surplus of 700 million francs.

Brazil Concession on Services May Prevent GATT Stalemate

PUNTA DEL ESTE, Uruguay — On the eve of weeklong trade talks begun Monday under the auspices of the General Agreement on Tariffs and Trade, Brazil made a concession that may help to prevent a stalemate.

Brazil announced late Sunday a softened stand against a U.S. proposal to bring trade in services such as insurance, banking and construction under GATT rules.

The Latin American country had led a group of 10 developing nations in opposition to the U.S. proposal. But Brazilian officials said that, while the group's opposition remained, it would now accept dealing with services in talks held alongside the overall GATT talks.

Ministers from 74 countries began Monday weighing several U.S. demands against a threat by Washington to walk out of the talks if its proposals are not accepted.

In addition to the demand on services, the U.S. proposals include the convening of talks to set a

framework for ending farm subsidies and a set of tougher rules to protect intellectual property rights such as patents and copyrights.

The European Community also is pressing for an extension of GATT rules to world trade in services.

There was no immediate comment from the U.S. delegation on the softer Brazilian stand.

Many developing nations fear that if their home markets are opened to the big multinationals, it would spell the end of their own fledgling service industries.

But Paul Channon, Britain's Minister for Trade and Industry, said GATT's preparation for discussions of trade in services could only go forward if all 74 countries at the meeting agree on the need to liberalize GATT rules.

Some delegations also oppose the U.S. demand that talks be started toward setting a time to end farm subsidies, estimated to cost the United States and the EC about \$20 billion a year.

Currency Rates

Table of currency rates for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, New York, Tokyo, Zurich, etc.

Source: Reuters, Bank of America, etc.

Interest Rates

Table of interest rates for Eurocurrency deposits, key money rates, and U.S. money market funds.

Source: Reuters, Commercial, Credit Lyonnais, Bank of Tokyo.

Shekou: A Modicum of Success in China's Zones

By Patrick I. Smith International Herald Tribune

SHEKOU, China — In a sense, China's special economic zones began on this peninsula jutting into the South China Sea.

Almost a year before Shenzhen was officially launched in 1979 as the first of the four zones, the village of Shekou was declared an "industrial zone" to be financed and managed by China Merchants Steam Navigation Co., a government enterprise under the Communications Ministry.

Shekou started as a kind of pilot scheme. Today it is an anomaly among the special economic zones: It is a modest success.

Although technically part of Shenzhen, Shekou has developed few of the problems that plague its administrative parent. It eschewed the consumer-goods trade that was previously rampant in Shenzhen and Zhuhai, thereby avoiding the corruption that often went with it.

China Merchants was also able to keep the area clear of property speculation and runaway investment in tourism, simply because it effectively owns all of Shekou's land.

Instead, Shekou has built a small but efficient industrial base that recalls the orderly development of, say, Singapore more than the apparent confusion of the zones.

"China Merchants was very clear about establishing an environment for industry," said Qiao Pei, an executive in the Shenzhen branch of the Bank of Credit & Commerce International. "They've basically stayed immune from everything else."

Shekou has already met many of the investment and export targets that Beijing is now setting for the zones. Several months ago, Chinese officials began citing the area as a model of successful development, an accolade once reserved for Shenzhen.

Foreign capital accounts for almost half of the \$330 million so far spent in Shekou, compared with only 20 percent in Shenzhen. Of Shekou's output of \$200 million last year, two-thirds was exported, exports in the rest of the zones are roughly 30 percent.

In addition, investors from Hong Kong and other Chinese communities abroad account for about half of the foreign commitments made in Shekou, compared with about 80 percent in other zones.

This has given the area a healthier mix of light and heavy industry than that achieved in Shenzhen and

elsewhere. Along with the simple electronics, textiles and toys typical of the zones, Shekou also produces steel, aluminum and some intermediate industrial goods.

A \$75-million advanced-technology glass plant, due to be completed next year, is the largest foreign investment in the special economic zones. PPG Industries Inc., Shekou's U.S. partner, is managing the project.

As Shekou's performance suggests, the area has largely overcome the difficulties that now threaten to cripple many of China's initial partnerships with foreign capital. Above all, it is a demonstration of the high price China has paid for failing to cultivate a class of professional managers.

"The most important step now is the introduction of modern management, in all of China and especially in the zones," said Zhao Yu Wen, deputy director of the government's policy-research office in Zhuhai. "We now recognize this as essential to the success of the open-door policy."

Shekou's strength in this regard is due chiefly to the long business experience China Merchants brings to the enterprise. Founded as a shipping company in Shanghai 116 years ago, it is one of China's oldest and largest state corporations, with assets of \$1.02 billion.

Since the Communist takeover in 1949, China Merchants has been based in Hong Kong, enabling it to develop a corps of executives versed in Western business prac-

tices. With these executives, China Merchants runs its industrial zone effectively as a corporate subsidiary rather than a bureaucracy.

The company has carefully guarded Shekou's autonomy. Recognizing the need to develop its own personnel, China Merchants opened a management school here five years ago that has so far produced 300 graduates.

Faced with the power shortages that idle about a quarter of China's industry at any given time, Shekou has installed a cable through which it will buy electricity from Hong Kong. Once opened, the connection will make the area a net contributor to Shenzhen's power grid.

As elsewhere in the zones, Shekou's economy has slowed substantially this year, partly because of the brakes applied by Beijing. New investment contracts are off by 30 percent, according to China Merchants officials, and growth in output will drop by a similar percentage.

This month, the area closed a container-fabrication facility that was squeezed by the worldwide slump in shipping. And like Zhuhai, Shekou has invested heavily in the oil-services sector.

Although it now hosts seven international oil companies, it is vulnerable to the downturn in drilling activity in the South China Sea caused by lower oil prices.

Nonetheless, it is likely to emerge as the only part of the zones capable of competing with the new areas China has opened to overseas investment.

For most of the special economic zones, survival is likely to depend as much on their continuing political significance as on their contri-

China's Hard Lesson

Special Economic Zones Last of three articles

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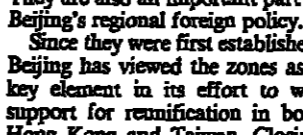
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Markets Closed

Financial markets were closed Monday in Japan, Switzerland, India and Pakistan for holidays.

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Most Actives table with columns for stock symbols, high, low, and change.

Market Sales table showing volume and value for NYSE, AMEX, and OTC.

NYSE Index table with columns for High, Low, and Change.

Monday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for stock symbols, price, and change.

NASDAQ Index table with columns for Class, Price, and Change.

AMEX Most Actives table with columns for stock symbols, high, low, and change.

Dow Jones Bond Averages table with columns for Class, Price, and Change.

NYSE Diary table with columns for stock symbols, price, and change.

Odd-Lot Trading in N.Y. table with columns for stock symbols, price, and change.

Dow Jones Averages table with columns for Index, High, Low, and Change.

Standard & Poor's Index table with columns for Index, High, Low, and Change.

NASDAQ Diary table with columns for stock symbols, price, and change.

AMEX Stock Index table with columns for High, Low, and Change.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed in Active Trading

NEW YORK — Prices on the New York Stock Exchange closed mixed Monday in active trading after last week's record-breaking selloff. The Dow Jones industrial average, which plunged an unprecedented 141.03 points last week, closed up 8.86 at 1,767.58. But declines led advances by an 8-7 ratio.

Volume was about 155.6 million shares, down from 240.49 million Friday. Prices were lower in active trading of American Stock Exchange issues.

Many analysts said they expected a long period of healing after last week's plunge. Bargain hunters boosted the market early, but investors were very cautious, looking mostly to the blue chips, analysts said.

Robert Stovall of Twenty-First Advisors Inc. said, "For the first time since the middle of last week, the price of futures moved over the cash index, meaning that it was to the advantage of arbitrageurs and speculators to buy stocks and sell futures."

Today there was a mini-mirror image of that, with some buying of stocks and selling of futures," Mr. Stovall said.

Frank Korih of Shearson Lehman Brothers said, "Much of the triple-witching hour has already occurred," referring to this Friday's expiration of stock index futures, index options and stock options.

A week ago, there were 40,000 contracts open on the Standard & Poor's 500," he said. "Today, that position is much smaller."

Many of those contracts were unwound last week and Monday's action builds on that knowledge, instilling a little confidence that the market will not fall as dramatically.

Mr. Stovall said there was a lot of confusion in the market. "A lot of people believe the economy will revive slowly and that the federal budget will expand, forcing up interest rates," he said.

But he added that investors would probably be very cautious in the market for a while "buying some of the battered-down stocks and the seasoned blue chips."

"It's like running your car into a brick wall," he said. "You don't get back in just right away. It takes some time to recover and get your nerve back."

Detroit Edison led the actives, down 1/4 to 17 1/2. The utilities group found general support in the market with the Dow utilities average rising 1.43 to 200.21.

Analysts said utilities had a strong performance earlier this year, but took a pounding in the past few weeks when investors began to shift away from the stocks sensitive to interest rates. Now they are cheap enough to buy again, one analyst said.

Computers also found some support. Digital Equipment rose 2 to 96 1/4, Honeywell 1 1/2 to 72 1/2, and Data General 1/4 to 33 1/4. IBM, however, fell 1/4 to 137.

Oil stocks were the target of some bargain hunting Monday after sharp declines last week. Exxon rose 1/4 to 67 1/4, Mobil 1/4 to 36 1/4, Chevron 1/4 to 43 1/4, Texaco 1/4 to 31 1/4, Sun 1/4 to 51 1/4, Occidental Petroleum 1/4 to 28 1/4 and Pennzoil 2/4 to 57 1/4.

Analysts said that despite declines in oil prices, institutions wanted to stock up before the end of the quarter. (Reuters, UPI).

3 Month High Low Stock Div. Yld. PE 52 Wk High Low Close

Table of stock prices for 3-month period, including symbols like AAR, ABB, ABE, etc.

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close

Table of stock prices for 12-month period, including symbols like AAR, ABB, ABE, etc.

3 Month High Low Stock Div. Yld. PE 52 Wk High Low Close

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12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close

Table of stock prices for 12-month period, including symbols like AAR, ABB, ABE, etc.

3 Month High Low Stock Div. Yld. PE 52 Wk High Low Close

Table of stock prices for 3-month period, including symbols like AAR, ABB, ABE, etc.

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close

Table of stock prices for 12-month period, including symbols like AAR, ABB, ABE, etc.

Table of stock prices for various companies, including symbols like AAR, ABB, ABE, etc.

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Vertical sidebar containing various advertisements including 'Bell Ag On BHI', 'STONEY - Rebec...', 'COMPANY NO...', 'EMPLOYMENT', 'EDUCATIONAL POSITIONS AVAILABLE', 'DOMESTIC POSITIONS AVAILABLE', 'INTERNATIONAL ESCORT', 'LONDON', 'LONDON BELGRAVIA', 'LONDON ANASTOS', and 'AUTOS TAX FREE'.

Continued on next left-hand page

BUSINESS ROUNDUP

Bell Agrees to Truce On BHP Takeover Bids

SYDNEY — Robert Holmes & Court, the chairman of Bell Resources Ltd., agreed Monday to a truce that will halt his long-running battle for control of Broken Hill Pty., Australia's largest company...

Several Banks Likely to Seek Texas Commerce

NEW YORK — Texas Commerce Bancshares, one of the largest banks in Texas, has put itself up for sale, and several large banks in New York and California are considering what price they should offer, banking sources say.

Apple Unveils Computer; Macintosh Cost Cut

NEW YORK — Apple Computer Inc. on Monday unveiled its new Apple II-GS, a faster and more versatile version of its Apple-II line of personal computers...

COMPANY NOTES

Argus Rover Group Ltd. said its holding company, ARG Holdings Ltd., estimated that it recorded for the first half of the financial year a pre-tax profit of at least £60 million (\$88.7 million) against a £600,000 profit for the corresponding period of 1985.

Western Union Corp. has announced that Pacific Asset Holdings, a private financial services organization based in Los Angeles, and MDC Holdings Inc., a Denver-based home builder and financial services company, had agreed to purchase \$250 million of the company's stock and debt.

COMMODITIES

No Relief in Sight for Asia Producers

SINGAPORE — Low prices for many commodities from Asia are expected to continue indefinitely because of a fundamental change in the economic relationship between commodity-exporting states and their markets in the industrial nations, economists and politicians say.

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The War Heritage Continued from page 12

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

13 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Open	Close
110	100	IBM	4.0 15	110	100	105	105
100	90	AT&T	5.0 12	100	90	95	95
90	80	GE	4.0 15	90	80	85	85
80	70	Ford	3.0 15	80	70	75	75
70	60	Chrysler	3.0 15	70	60	65	65
60	50	AMC	3.0 15	60	50	55	55
50	40	GM	3.0 15	50	40	45	45
40	30	Stamps	3.0 15	40	30	35	35
30	20	Wells Fargo	3.0 15	30	20	25	25
20	10	Bank of America	3.0 15	20	10	15	15
10	5	JP Morgan	3.0 15	10	5	7	7

U.S. Automakers Report 36.9% Increase in Sales

United Press International

DETROIT — U.S. automakers, buoyed by low-interest financing offers, reported Monday the second-best 10-day car sales on record, posting a 36.9 percent gain in early September's daily rate from strong 1985 levels.

The seven companies — General Motors Corp., Ford Motor Co., Chrysler Corp., Honda Motor Co., American Motors Corp., Volkswagen of America and Nissan Motor Manufacturing U.S.A. — reported combined sales of 368,674 cars in the United States during the latest period, compared with 235,680 units a year earlier.

The daily selling rate of 46,084 cars compares with 33,669 for the period last year. The standing record is still 53,959 cars a day reached in the third 10-day period of September 1982.

There were eight selling days this year, compared with seven last year.

GM, which began a financing offer late last month with a 2.9-percent rate on three-year loans, led with a 53.3-percent gain.

Ford, offering competitive rates but on fewer models, posted a 5.1-percent gain. Chrysler, which countered GM's offer with a 2.4-percent rate on two-year loans, had a 39.1-percent gain. AMC's sales rose 5.6 percent. AMC is offering interest-free financing on two-year loans on selected Renault models. Sales of Honda's U.S.-built models rose 53.4 percent, while VW's domestic sales rose 2.1 percent.

Nissan, which recently started production of its 1987 Sentra subcompact at its Smyrna, Tennessee, plant, posted a 52.9-percent drop in sales because of the changeover.

GM's financing offer was a key factor in the sales surge, analysts said. The company's offer was the most aggressive in the industry, and it was widely expected that other automakers would follow suit.

The sales figures are preliminary. Final figures for the month will be released in late September.

13 Month High	Low	Stock	Div. Yld. PE	52 Wk High	Low	Open	Close
100	90	IBM	4.0 15	110	100	105	105
100	90	AT&T	5.0 12	100	90	95	95
90	80	GE	4.0 15	90	80	85	85
80	70	Ford	3.0 15	80	70	75	75
70	60	Chrysler	3.0 15	70	60	65	65
60	50	AMC	3.0 15	60	50	55	55
50	40	GM	3.0 15	50	40	45	45
40	30	Stamps	3.0 15	40	30	35	35
30	20	Wells Fargo	3.0 15	30	20	25	25
20	10	Bank of America	3.0 15	20	10	15	15
10	5	JP Morgan	3.0 15	10	5	7	7

NYSE High-Lows

NEW HIGHS 6

NEW HIGHS 6	NEW LOWS 20
IBM	IBM
AT&T	AT&T
GE	GE
Ford	Ford
Chrysler	Chrysler
AMC	AMC
GM	GM
Stamps	Stamps
Wells Fargo	Wells Fargo
Bank of America	Bank of America
JP Morgan	JP Morgan

Pittsburgh-London Route Sought

Reuter

NEW YORK — Pan American World Airways said Monday that it had asked the U.S. Department of Transportation to approve daily nonstop flights between Pittsburgh and London, starting next summer. It said it would use Airbus Industrie A-310s with seating for 225 passengers.

U.S. Futures

Via The Associated Press

Symbol	High	Low	Open	High	Low	Close	Chg.
WHEAT (CBOT)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
SOYBEAN (CBOT)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CORN (CBOT)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
COFFEE (NYMEX)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
SUGAR (NYMEX)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
COCOA (NYMEX)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
CATTLE (CME)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
HOGS (CME)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
FEEDER CATTLE (CME)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
PHILADELPHIA EXCHANGE	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
SOYBEAN OIL (CBOT)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
WHEAT (CBOT)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
PLATINUM (NYMEX)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
PALM OIL (NYMEX)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CRUDE OIL (NYMEX)	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
FINANCIAL	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
STOCKS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
BONDS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
ASIAN COMMODITIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
SINGAPORE GOLD FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
RUSSIAN RUBLES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DIVIDENDS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
STOCKS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
BONDS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

London Commodities

Sept. 15

Symbol	High	Low	Open	High	Low	Close	Chg.
SUGAR	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
COFFEE	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
COCOA	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
CRUDE OIL	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
PLATINUM	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
PALM OIL	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
FINANCIAL	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
STOCKS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
BONDS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
STOCKS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
BONDS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
COMMODITIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

London Metals

Sept. 15

Symbol	High	Low	Open	High	Low	Close	Chg.
ALUMINUM	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
COPPER	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
ZINC	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
CRUDE OIL	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
PLATINUM	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
PALM OIL	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
FINANCIAL	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
STOCKS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
BONDS	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
U.S. TREASURIES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02

Symbol	High	Low	Open	High	Low	Close	Chg.
DM FUTURES	1.00	0.98	1.00	1.00	0.98	1.00	+0.02
CASH PRICES	1.00						

Floating-Rate Notes

Table of Floating-Rate Notes with columns for Issuer/Mat., Coupon, and Bid Ask prices. Includes sub-sections for Dollars, Deutsche Marks, E.C.U., Japanese Yen, and Pounds Sterling.

Table of Floating-Rate Notes (continued) with columns for Issuer/Mat., Coupon, and Bid Ask prices. Includes sub-sections for Dollars, Deutsche Marks, E.C.U., Japanese Yen, and Pounds Sterling.

INTERNATIONAL FUNDS (Quotations by Funds Listed) 15 Sept. 1986

Large table of International Funds with columns for Fund Name, Currency, and Price. Includes various global and regional investment funds.

TENDER NOTICE

THE SOCIETE BURKINAISE DES FIBRES TEXTILES (SOFTEX) - B.P. 147 - BOBO DIULASSO (BURKINA FASO) hereby gives notice of invitation to tender for the supply of insecticides and ULV and C.E. hand sprayers in four lots as follows:

LOT 1: 750,000 litres of ULV insecticide
LOT 2: 500,000 litres of C.E. insecticide
LOT 3: 6,000 U.L.V. hand sprayers
LOT 4: 1,600 C.E. hand sprayers

IBERIA advertisement featuring a globe with flight paths connecting major cities like London, Paris, Madrid, and New York. Text includes 'BIG CONNECTIONS AND SMALL ONES.' and 'The world today requires air travel on a scale far greater than any known in the past.'

U.S. ... Army ...

... Page 15 ...

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Div. Yld.	PE	Stk.	High	Low	Close	Chg.
175	170	7	25	7	175	170	175	+5
115	110	11	11	11	115	110	115	+5
185	180	10	18	18	185	180	185	+5
125	120	10	12	12	125	120	125	+5
135	130	10	13	13	135	130	135	+5
145	140	10	14	14	145	140	145	+5
155	150	10	15	15	155	150	155	+5
165	160	10	16	16	165	160	165	+5
175	170	10	17	17	175	170	175	+5
185	180	10	18	18	185	180	185	+5
195	190	10	19	19	195	190	195	+5
205	200	10	20	20	205	200	205	+5
215	210	10	21	21	215	210	215	+5
225	220	10	22	22	225	220	225	+5
235	230	10	23	23	235	230	235	+5
245	240	10	24	24	245	240	245	+5
255	250	10	25	25	255	250	255	+5
265	260	10	26	26	265	260	265	+5
275	270	10	27	27	275	270	275	+5
285	280	10	28	28	285	280	285	+5
295	290	10	29	29	295	290	295	+5
305	300	10	30	30	305	300	305	+5
315	310	10	31	31	315	310	315	+5
325	320	10	32	32	325	320	325	+5
335	330	10	33	33	335	330	335	+5
345	340	10	34	34	345	340	345	+5
355	350	10	35	35	355	350	355	+5
365	360	10	36	36	365	360	365	+5
375	370	10	37	37	375	370	375	+5
385	380	10	38	38	385	380	385	+5
395	390	10	39	39	395	390	395	+5
405	400	10	40	40	405	400	405	+5
415	410	10	41	41	415	410	415	+5
425	420	10	42	42	425	420	425	+5
435	430	10	43	43	435	430	435	+5
445	440	10	44	44	445	440	445	+5
455	450	10	45	45	455	450	455	+5
465	460	10	46	46	465	460	465	+5
475	470	10	47	47	475	470	475	+5
485	480	10	48	48	485	480	485	+5
495	490	10	49	49	495	490	495	+5
505	500	10	50	50	505	500	505	+5
515	510	10	51	51	515	510	515	+5
525	520	10	52	52	525	520	525	+5
535	530	10	53	53	535	530	535	+5
545	540	10	54	54	545	540	545	+5
555	550	10	55	55	555	550	555	+5
565	560	10	56	56	565	560	565	+5
575	570	10	57	57	575	570	575	+5
585	580	10	58	58	585	580	585	+5
595	590	10	59	59	595	590	595	+5
605	600	10	60	60	605	600	605	+5
615	610	10	61	61	615	610	615	+5
625	620	10	62	62	625	620	625	+5
635	630	10	63	63	635	630	635	+5
645	640	10	64	64	645	640	645	+5
655	650	10	65	65	655	650	655	+5
665	660	10	66	66	665	660	665	+5
675	670	10	67	67	675	670	675	+5
685	680	10	68	68	685	680	685	+5
695	690	10	69	69	695	690	695	+5
705	700	10	70	70	705	700	705	+5
715	710	10	71	71	715	710	715	+5
725	720	10	72	72	725	720	725	+5
735	730	10	73	73	735	730	735	+5
745	740	10	74	74	745	740	745	+5
755	750	10	75	75	755	750	755	+5
765	760	10	76	76	765	760	765	+5
775	770	10	77	77	775	770	775	+5
785	780	10	78	78	785	780	785	+5
795	790	10	79	79	795	790	795	+5
805	800	10	80	80	805	800	805	+5
815	810	10	81	81	815	810	815	+5
825	820	10	82	82	825	820	825	+5
835	830	10	83	83	835	830	835	+5
845	840	10	84	84	845	840	845	+5
855	850	10	85	85	855	850	855	+5
865	860	10	86	86	865	860	865	+5
875	870	10	87	87	875	870	875	+5
885	880	10	88	88	885	880	885	+5
895	890	10	89	89	895	890	895	+5
905	900	10	90	90	905	900	905	+5
915	910	10	91	91	915	910	915	+5
925	920	10	92	92	925	920	925	+5
935	930	10	93	93	935	930	935	+5
945	940	10	94	94	945	940	945	+5
955	950	10	95	95	955	950	955	+5
965	960	10	96	96	965	960	965	+5
975	970	10	97	97	975	970	975	+5
985	980	10	98	98	985	980	985	+5
995	990	10	99	99	995	990	995	+5
1005	1000	10	100	100	1005	1000	1005	+5

12 Month High	Low	Div. Yld.	PE	Stk.	High	Low	Close	Chg.
105	100	10	10	10	105	100	105	+5
115	110	10	11	11	115	110	115	+5
125	120	10	12	12	125	120	125	+5
135	130	10	13	13	135	130	135	+5
145	140	10	14	14	145	140	145	+5
155	150	10	15	15	155	150	155	+5
165	160	10	16	16	165	160	165	+5
175	170	10	17	17	175	170	175	+5
185	180	10	18	18	185	180	185	+5
195	190	10	19	19	195	190	195	+5
205	200	10	20	20	205	200	205	+5
215	210	10	21	21	215	210	215	+5
225	220	10	22	22	225	220	225	+5
235	230	10	23	23	235	230	235	+5
245	240	10	24	24	245	240	245	+5
255	250	10	25	25	255	250	255	+5
265	260	10	26	26	265	260	265	+5
275	270	10	27	27	275	270	275	+5
285	280	10	28	28	285	280	285	+5
295	290	10	29	29	295	290	295	+5
305	300	10	30	30	305	300	305	+5
315	310	10	31	31	315	310	315	+5
325	320	10	32	32	325	320	325	+5
335	330	10	33	33	335	330	335	+5
345	340	10	34	34	345	340	345	+5
355	350	10	35	35	355	350	355	+5
365	360	10	36	36	365	360	365	+5
375	370	10	37	37	375	370	375	+5
385	380	10	38	38	385	380	385	+5
395	390	10	39	39	395	390	395	+5
405	400	10	40	40	405	400	405	+5
415	410	10	41	41	415	410	415	+5
425	420	10	42	42	425	420	425	+5
435	430	10	43	43	435	430	435	+5
445	440	10	44	44	445	440	445	+5
455	450	10	45	45	455	450	455	+5
465	460	10	46	46	465	460	465	+5
475	470	10	47	47	475	470	475	+5
485	480	10	48	48	485	480	485	+5
495	490	10	49	49	495	490	495	+5
505	500	10	50	50	505	500	505	+5
515	510	10	51	51	515	510	515	+5
525	520	10	52	52	525	520	525	+5
535	530	10	53	53	535	530	535	+5
545	540	10	54	54	545	540	545	+5
555	550	10	55	55	555	550	555	+5
565	560	10	56	56	565	560	565	+5
575	570	10	57	57	575	570	575	+5
585	580	10	58	58	585	580	585	+5
595	590	10	59	59	595	590	595	+5
605	600	10	60	60	605	600	605	+5
615	610	10	61	61	615	610	615	+5
625	620	10	62	62	625	620	625	+5
635	630	10	63	63	635	630	635	+5
645	640	10	64	64	645	640	645	+5
655	650	10	65	65	655	650	655	+5
665	660	10	66	66	665	660	665	+5
675	670	10	67	67	675	670	675	+5
685	680	10	68	68	685	680	685	+5
695	690	10	69	69	695	690	695	+5
705	700	10	70	70	705	700	705	+5
715	710	10	71	71	715	710	715	+5
725	720	10	72	72	725	720	725	+5
735	730	10	73	73	735	730	735	+5
745	740	10	74	74	745	740	745	+5
755	750	10	75	75	755	750	755	+5
765	760	10	76	76	765	760	765	+5
775	770	10	77	77	775	770	775	+5
785	780	10	78	78	785	780	785	+5
795	790	10	79	79	795	790	795	+5
805	800	10	80	80	805	800	805	+5
815	810	10	81	81	815	810	815	+5
825	820	10	82	82	825	820	825	+5
835	830	10	83	83	835	830	835	+5

CURRENCY MARKETS

Dollar Finishes Lower in New York and Europe

NEW YORK — The dollar closed lower in New York and Europe Monday as traders awaited U.S. economic reports due this week. Fears about inflation also undermined the market.

and Anthony Sorrentino, an analyst at Standard & Poor's Corp. In addition, many participants were reluctant to establish fresh dollar positions after last week's whipsaw action.

It was fixed at 2.0460 DM, down from 2.0790 DM. The Bundesbank's sale of dollars on Friday sent operators with long positions running for cover, dealers said.

1.6523 Swiss francs, down from 1.6688 francs; and at 155 yen, down from 155.30 yen. In contrast to a lackluster performance in Europe, the British pound ended in New York at \$1.4815 up from \$1.4780 on Friday.

London Dollar Rates table with columns for Currency, Bid, Ask, and Spread.

CBS: Unlikely but Effective Alliance Joins Paley, Tisch

WYMAN said one official close to the situation. "It involved the things Larry Tisch and Bill Paley cared about the most — program ratings, the news division, and the company's financial health."

Mr. Paley at times embraced that idea, and at other moments backed away. During this period Mr. Paley began contacting other board members to persuade them that Mr. Wyman should go.

In an effort to bring others to his point of view, Mr. Paley would often belabor small points and indulge in repetitive questions and arguments.

THE EUROMARKETS

Prices End Firmer After Last Week's Sharp Fluctuations

LONDON — Prices in the Euro-bond market generally ended slightly firmer Monday. Many professionals were content to sit on the sidelines after last Friday's sharp fluctuations, dealers said.

Only one new dollar straight was launched Monday, a \$100-million bond for Banque Francaise du Commerce Extérieur. The five-year issue pays 7 1/2 percent and was priced at 100 1/4.

On Friday, spreads had risen to as much as 20 basis points, compared with the usual 10, while some market makers reduced their dealing size to \$1 million from the more usual \$3 million.

The floating-rate-note sector ended firmer with dealing sizes and spreads returning to normal Monday, dealers said.

U.S. Inventories Up 0.4% in July

WASHINGTON — Inventories held by U.S. businesses, led by a big increase in unsold cars, rose 0.4 percent in July while overall business sales were climbing a healthy 0.7 percent, the government reported Monday.

It was a time of revitalization for Mr. Paley, who had suffered from periodic bouts of ill health. "In the past six weeks Bill Paley seemed reborn. It is amazing how this has energized him," said one friend.

Those who know both men anticipate that they will get along. Mr. Tisch "will give respect. He knows he doesn't know the creative area and Bill Paley does," said one former CBS executive.

But he clearly is not ready to bow to Mr. Paley's will. In fact, Mr. Tisch has already proved his ability to get his way, although with diplomacy that his predecessor lacked.

Monday's OTC Prices MASDAQ prices as of 3 p.m. New York time. Via The Associated Press.

Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in Mil., High, Low, 3 P.M. CLOS.

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SPORTS

Rams Edge 49ers, 16-13; Montana Faces Surgery

Compiled by Our Staff From Dispatches ANAHEIM, California — Jeff Kemp almost pulled off the underdog's dream. Now, he has to think about being the leading man for a while.

Kemp, for five years a quarterback with the Los Angeles Rams, was traded to San Francisco in the offseason. His role until Sunday was as a backup to Joe Montana, the National Football League's top-rated passer.

lower back the previous week as he ran to his left and then twisted to pass back against the flow on a play against Tampa Bay. In that game, he completed 32 of 46 passes for 356 yards. Coach Bill Walsh made the announcement about the immediate surgery after the 49ers-Rams contest, which Montana did not attend.

"Although the results [of the surgery] are fairly predictable, nothing is assured," said Dr. Michael Dillingham, the team's orthopedic specialist. "He probably should be able to play in the future, but there's no guarantee."

Kemp was 19 of 24 for 252 yards, including a 66-yard scoring pass to Jerry Rice. But it wasn't enough. "I feel terrible for Joe," Kemp said. "I have to take this opportunity and do something with it."

Higuera Now Aiming for No. 20

Compiled by Our Staff From Dispatches MILWAUKEE — Teddy Higuera of the Milwaukee Brewers can finally start speculating about winning 20 games this season.

born won 20 in 1973 and Mike Caldwell 22 in 1978.

He's also racing Los Angeles Dodgers left-hander Fernando Valenzuela to become the first Milwaukee pitcher to reach the milestone. Valenzuela, also with 19 victories, gets his shot at No. 20 Wednesday.

In nothing his fourth shutout and 12th complete game of the year, Higuera continued his home-field dominance. In 14 games at Milwaukee County Stadium, Higuera is 9-2 with a 1.67 earned-run average.

Yankees 11, Red Sox 5: In New York, Mike Easler hit a two-run home run and Rickey Henderson and Don Pasqua added bases-empty shots to move the Yankees into a second-place tie with Toronto in the Eastern Division, nine games behind Boston.

Figurs 7, Orioles 6: In Detroit, Pat Sheridan hit a two-run homer and rookie Bruce Fields went 2-for-3 to help the Tigers win their fifth straight, equaling their best streak of the season.

Indians 5, A's 2: In Cleveland, Tony Bennett homered and singled and drove in four runs as the Indians beat Oakland for the 10th straight time.

Twins 7, Rangers 6: In Minneapolis, pinch-hitter Al Woods and Kirby Puckett delivered key hits in a two-run eighth that led Minnesota past Texas.

White Sox 3, Angels 1: In Chicago, Ron Hassey's double keyed a two-run second that helped the White Sox down California. Loser Kirk McCaskill uncorked two run-scoring wild pitches.

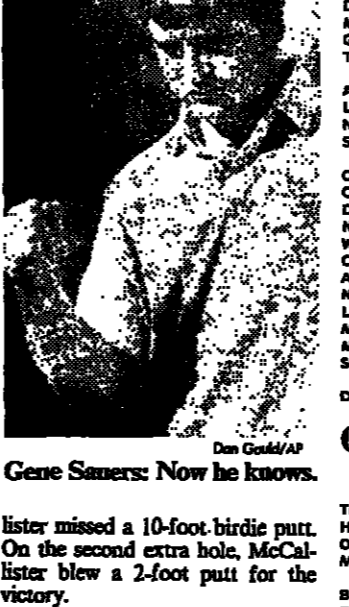
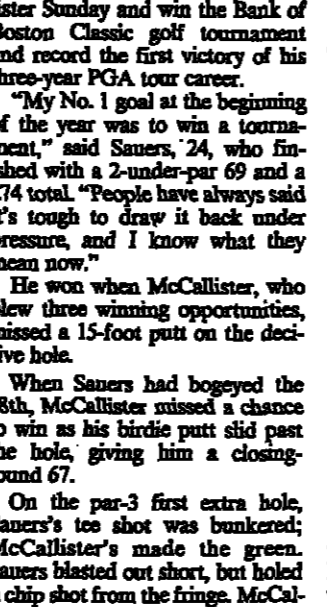
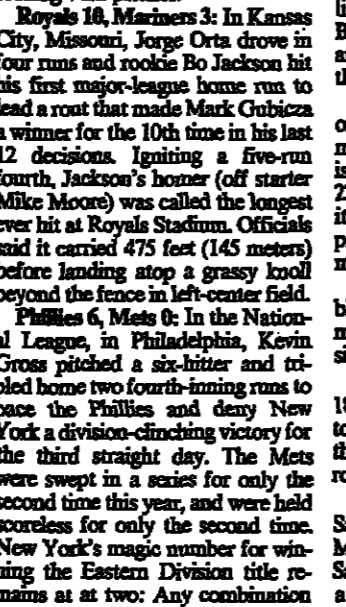
Royals 10, Mariners 3: In Kansas City, Missouri, Jorge Orta drove in four runs and rookie Bo Jackson hit his first major-league home run to lead a rout that made Mark Gubicza a winner for the 10th time in his last 12 decisions.

Phillies 6, Mets 0: In the National League, in Philadelphia, Kevin Gross pitched a six-hitter and tripled home two four-hitting runs to pace the Phillies and deny New York a division-clinching victory for the third straight day.

When Sauers had bogeyed the 18th, McCallister missed a chance to win as his birdie putt slid past the hole, giving him a closing-round 67.

On the par-3 first extra hole, Sauers' too shot was bunkered; McCallister's made the green. Sauers blasted out short, but holed a chip shot from the fringe. McCallister missed a 10-foot birdie putt.

On the second extra hole, McCallister blew a 2-foot putt for the victory.



Enzo Tortora

Gene Sauers: Now he knows

Gene Sauers: Now he knows

Gene Sauers: Now he knows

Nuclear Ship Bill

PH — Prince Maurice David Lagarde in Parliament might delay a bill to build nuclear ships.

Lead in Chess Match

PH — Chess master Vladimir Kramnik leads in a match against Garry Kasparov.

Black Rapist

PH — A black man is charged with the rape of a white woman.

U.S. Hunting Paradise Spawns Questions

Washington Post Service WESTMINSTER, Maryland — Louis Pascal has turned his 67 acres (17 hectares) of rolling woods and fields here into a paradise for wildlife, but it's hardly a peaceful kingdom.

One could easily argue that what Pascal does for game animals is no favor at all — that he simply sets animals up for hunters in what amounts to a legalized baiting arrangement.

By 2, the gunners had arrived — Fife Symington, carrying his Holland 12-gauge; Norman Barter with his Purdy double-barrel; Hugh O'Donovan with a yellow Labrador retriever that would fetch down doves from deep thickets; Cuppy Fenwick, a local automobile dealer and a superb shot; stockbroker George Rich, and lawyer Michael Yeggy.

European Soccer

SPANISH FIRST DIVISION Sevilla 1, Las Palmas 0

Major League Standings

Table with columns for American League and National League, listing teams, wins, losses, and percentages.



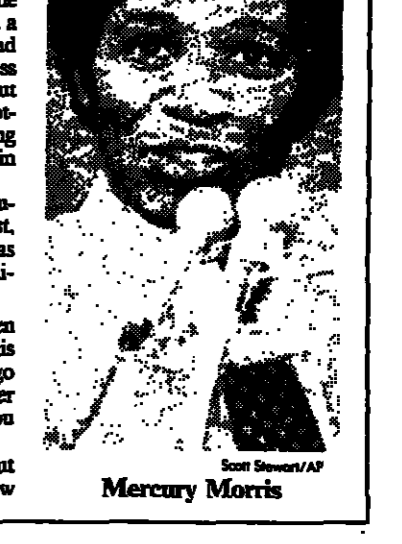
Joe Montana in happier times: After leading the 49ers to victory in the 1982 Super Bowl.

The Word on Drugs From an Old Pro

MIAMI — Eugene (Mercury) Morris, the Miami Dolphin football star turned cocaine dealer, has found a lucrative niche on the lecture circuit as an anti-drug crusader.

During his 3 1/2-year prison term, Morris had 50 speaking engagements and was transported to lectures in handcuffs and shackles. Since his release in March, he has spoken at high schools, colleges, hospitals and corporate meetings.

Morris claimed entrapment, but was convicted of cocaine trafficking and sentenced to a minimum of 15 years in jail with no chance of parole. In March, the Florida Supreme Court ordered a new trial, saying the judge had improperly excluded a witness who could have testified about police entrapment.



Mercury Morris

SCOREBOARD

Football section of the scoreboard, including NFL Standings and CFL Standings.

Baseball section of the scoreboard, including Major League Leaders and Sunday's Line Scores.

Baseball section of the scoreboard, including American League and National League.

Baseball section of the scoreboard, including Sunday's Line Scores.

Sauers Wins 1st PGA Event

SUTTON, Massachusetts (UPI) — Gene Sauers sank a 15-foot (4.5-meter) putt on the third sudden-death hole to defeat Blaine McCallister Sunday and win the Bank of Boston Classic golf tournament and record the first victory of his three-year PGA tour career.

Translation

NATHAN Mackay League HARTFORD — Guard Bill Cunningham, 6-foot-10, is a multifaceted center. Blended with Brad Shaw, defenseman and Craig Sells, left defenseman, Cunningham is a versatile defenseman.

Major League Standings

Table with columns for American League and National League, listing teams, wins, losses, and percentages.

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UNIVERSITY DEGREE

PACIFIC WESTERN UNIVERSITY

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PACIFIC WESTERN UNIVERSITY

Large advertisement for NFL Football featuring a player in a uniform and text: 'NFL FOOTBALL SEE YOUR TEAM PLAY EVERY WEEK!'

Advertisement for Pontel featuring a logo and text: 'Pontel You will also receive a 12 page team-by-team NFL schedule free with your first tape.' Includes contact information for Pontel.

